

*The Budget*

In January of this year I sent out a questionnaire to the manufacturers in my riding. I asked them about their experience with the GST after its first full year in operation. One unanimous comment from all of them is that they do not want to go back to the old manufacturers' sales tax of 13.5 per cent. These are other comments they made:

The GST spreads the tax over a broader spectrum of business. It is a more fair system.

Another one said:

I would recommend we stay with the GST as I feel it is a fairer tax to all.

Another one said:

We can never go back to the old way. I believe 100 per cent in the concept of the GST. It was the best move this government has made by moving towards a fairer, broader and unhidden tax system.

That same manufacturer concluded by saying:

All we ever hear is doom and gloom stuff. We are beginning to feel we missed something important somewhere. We never hear the good stuff that has come out of all of this.

It is clear from these comments that the GST is more fair than the old system. There is absolutely no evidence that it is inflationary and it clearly is not a tax grab.

Another myth is regarding the free trade agreement. The Leader of the NDP said yesterday that the free trade agreement has cost Canada 400,000 jobs and has devastated the manufacturing sector. Yes, we have lost many jobs in the manufacturing sector during the recession and while we had the free trade agreement. No one likes that. No one would take delight in that. However the Prime Minister, in response to her question, reminded her that in 1981-82, without the free trade agreement, we lost approximately twice that number of jobs. In fact with the free trade agreement the Prime Minister went on and said:

Trade has increased, even though we have been in a recession. Trade with the United States has increased by \$35 billion, approximately since 1988 and it is going the right way. Further, we have secured something that most other nations would give their eye teeth for. That is a dispute settlement mechanism in the trade

involved with our greatest trading partner. This is a major acquisition.

We can see that we have problems in the free trade agreement today, with Honda and the softwood lumber, but just as we successfully were able to use the dispute settlement mechanism with regard to the pork issue and dispute, we will solve it now with that trade dispute mechanism.

**The Acting Speaker (Mr. Paproski):** I have five questions now. I will take them in this order: York North, Edmonton South East, York South—Weston, Etobicoke North and Chambly.

**Mr. Maurizio Bevilacqua (York North):** Mr. Speaker, I applaud the hon. member for his desperate attempt at trying to justify some irrational actions taken by his government both in economic and social terms. We must admit he did have the courage to stand to try to save his government from the embarrassment that 89 per cent of the Canadian people are certainly aware of.

• (1730)

I must say that I took note of the fact that the member speaks a lot about the past and very little about the future projections for this country. When we speak to the future, we on this side of the House understand the emerging global village and the global dynamics that are taking place, but we also understand that the emerging global marketplace requires and makes it necessary for a nation to prepare for it. This is exactly what this government has failed to do with this particular budget.

We have 400,000 young people in this country on the unemployment rolls and many more on the welfare rolls. At the same time we have jobs that cannot be filled. Obviously the government has failed at arriving at a national training strategy that will match people to jobs.

I am wondering why it is that this government on one hand speaks about global competitiveness and the prosperity agenda, and on the other does not understand that in order to compete globally we must educate and train young and old people.